

London Legal Sector Update

Q1 2024

Our quarterly London Legal Sector Update aims to inform real estate decision makers within law firms of competitor activity and emerging best practice.

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Sector and real estate trends

A round-up of the most disruptive trends shaping law firms and their future real estate requirements.

Three sector trends

This quarter's trends demonstrate the sector's evolving working practices and the growth of international firms in London.

DATA SHOWS LEGAL SECTOR'S SHIFT TO HYBRID WORKING.

A [survey](#) involving close to 1,000 legal professionals revealed that 70% follow a hybrid work schedule, spending two to three days at the office. Meanwhile, 19% work entirely from the office. A preference for hybrid work was reported by 80% of those surveyed.

US FIRMS IN LONDON REPORT STRONG EARNINGS.

Several US law firms in London shared their financial results for 2023. Cooley revealed its London office turnover increased to over \$100m last year, Akin reported a 25% revenue increase in London during 2023, and Simpson Thacher & Bartlett boosted its City revenue by nearly \$100m, reaching a new peak.

EUROPEAN LAW FIRMS PLAN PARTNER AND OFFICE GROWTH.

Based on research by The Lawyer, 11 out of the top 100 European law firms with a London office plan to increase or are actively considering increasing their partner count in London within the next two years. Similarly, many anticipate growing their associate numbers in London, and eight firms are looking to expand their office footprint or have done so in the last two years.

Three real estate trends

London's legal sector demand is up by 37%, with a significant volume of lease expiries by 2030.

LEGAL SECTOR DEMAND INCREASES.

Active demand from the legal sector increased by 37% this quarter, totalling 1.35 million sq ft. This equates to 11% of total active demand in London. The majority of law firms with active requirements are targeting the City of London sub-market.

THE LEGAL SECTOR REMAINS FOCUSED ON THE CITY MARKET.

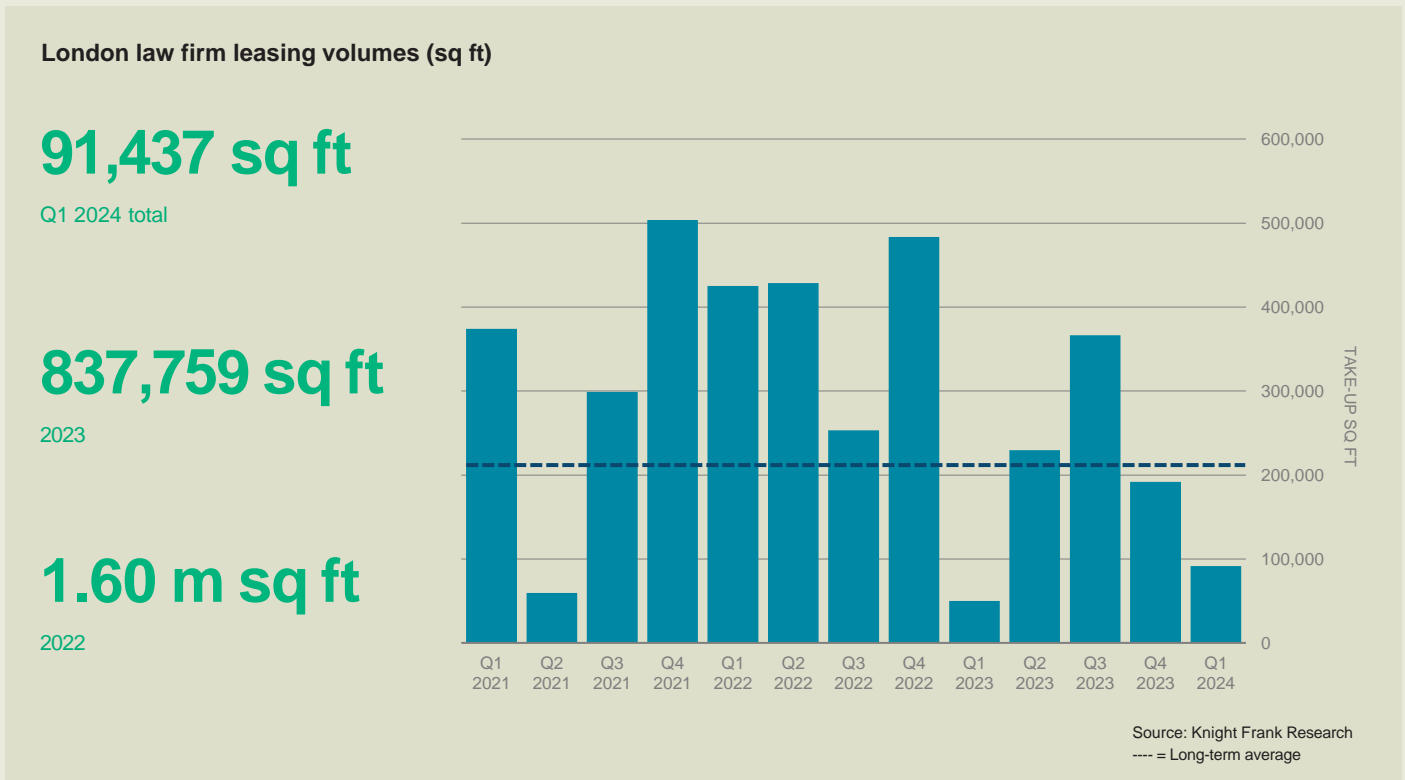
In Q1, 95% of legal sector take-up was concentrated in the City of London sub-market, including Faegre Drinker Biddle & Reath's acquisition of over 14,000 sq ft at 8 Bishopsgate, EC2. The firm attributes this decision to its growth commitment in London and its goal to provide an exceptional workplace experience for both clients and staff.

TAKE-UP SLOWS DUE TO THE TIMING OF LEASE EVENTS.

Q1 take-up was more subdued when compared to the previous quarter due to the timing of lease events. Looking forward, London's legal sector has over 12m sq ft of lease expiries between now and the end of 2030.

Market intelligence

Looking at who is acquiring space, how much and where; the types of buildings law firms are occupying, with particular attention to building accreditations and certifications, and locational preference and clustering.



Law firm leasing transactions – Q1 2024

* = Knight Frank deals

Occupier	Grade	Address	HQ Location	Sq Ft	Rent (£ per sq ft)
Cravath, Swaine & Moore	S'hand A	100 Cheapside, EC2*	US	21,704	£70.00
Three Crowns	New	The JJ Mack Building, 33 Charterhouse Street, EC1*	UK	15,484	£108.00
Faegre Drinker Biddle & Reath	New	8 Bishopsgate, EC2*	US	14,534	£90.00
Curtis, Mallet-Prevost, Colt & Mosle	S'hand A	99 Gresham Street, EC2	US	13,835	£66.00
Simpson Thacher & Bartlett	S'hand A	CityPoint, 1 Ropemaker Street, EC2	US	12,515	£77.50

Source: Knight Frank Research



1.35m sq ft

of named legal sector demand

SPECIFICATIONS OF BUILDINGS WHERE LAW FIRMS HAVE TAKEN SPACE



100 Cheapside, EC2

Occupier: Cravath, Swaine & Moore

Secondhand A

This location is situated within a three-minute walk from Bank station and St. Paul's station. Building amenities include end-of-trip facilities and two retail units on the ground floor.

The architecture of the building is engineered for energy efficiency and sustainability, incorporating passive design elements that reduce the energy requirements of the building and prevent over-consumption. Examples include daylight-linked lighting controls. Additionally, each floor is equipped with comprehensive metering for all water services and a rainwater harvesting and greywater recycling plant collects and treats all rainwater harvested from the roof and wastewater recycled from all basins.

The floors were available with a high quality cellular fit out in situ.

LEED Platinum rating, BREEAM 'Excellent' and EPC B rating.



The JJ Mack Building, 33 Charterhouse Street, EC1

Occupier: Three Crowns

New

The JJ Mack Building, close to Farringdon station, includes green initiatives like a water recycling system, solar panels, and a bee-friendly green roof. It utilises the Citigen energy network for sustainable power and features motion-sensored zonal control for energy-efficient operations. Eco-conscious materials and processes were used in construction.

The building prioritises wellbeing through superior air quality, outdoor spaces, a 100% touch free journey from door to desk and end-of-trip facilities. Amenities include dry cleaning and parcel pick up and drop off services.

The building's systems are modelled through a 'digital twin' for precision control at all levels.

BREEAM 'Outstanding', EPC A rating, NABERS Design for Performance 5 star rating and designed for an occupier to achieve a Platinum WELL rating.



8 Bishopgate, EC2

Occupier: Faegre Drinker Biddle & Reath

New

10% of the building is dedicated to amenity space that includes a viewing gallery, events space, café, kitchen, bar, landscaped communal terrace, ample end-of-trip facilities, a 200-seat auditorium and over 15,000 sq ft of outdoor terraces. Powered by smart technologies, with an AI-integrated analytics platform that captures, analyses and shares energy performance. London's most sustainable office tower, developed to achieve low embodied carbon and to be low-carbon in operation, featuring the highest solar panels in London, advanced floor-by-floor air filtering, light-responsive blinds, rainwater harvesting and greywater recycling. Four stations and nine tube lines, including the Elizabeth Line, within a five-minute walk.

WiredScore Platinum, BREEAM 'Outstanding' and EPC A rating.



99 Gresham Street, EC2

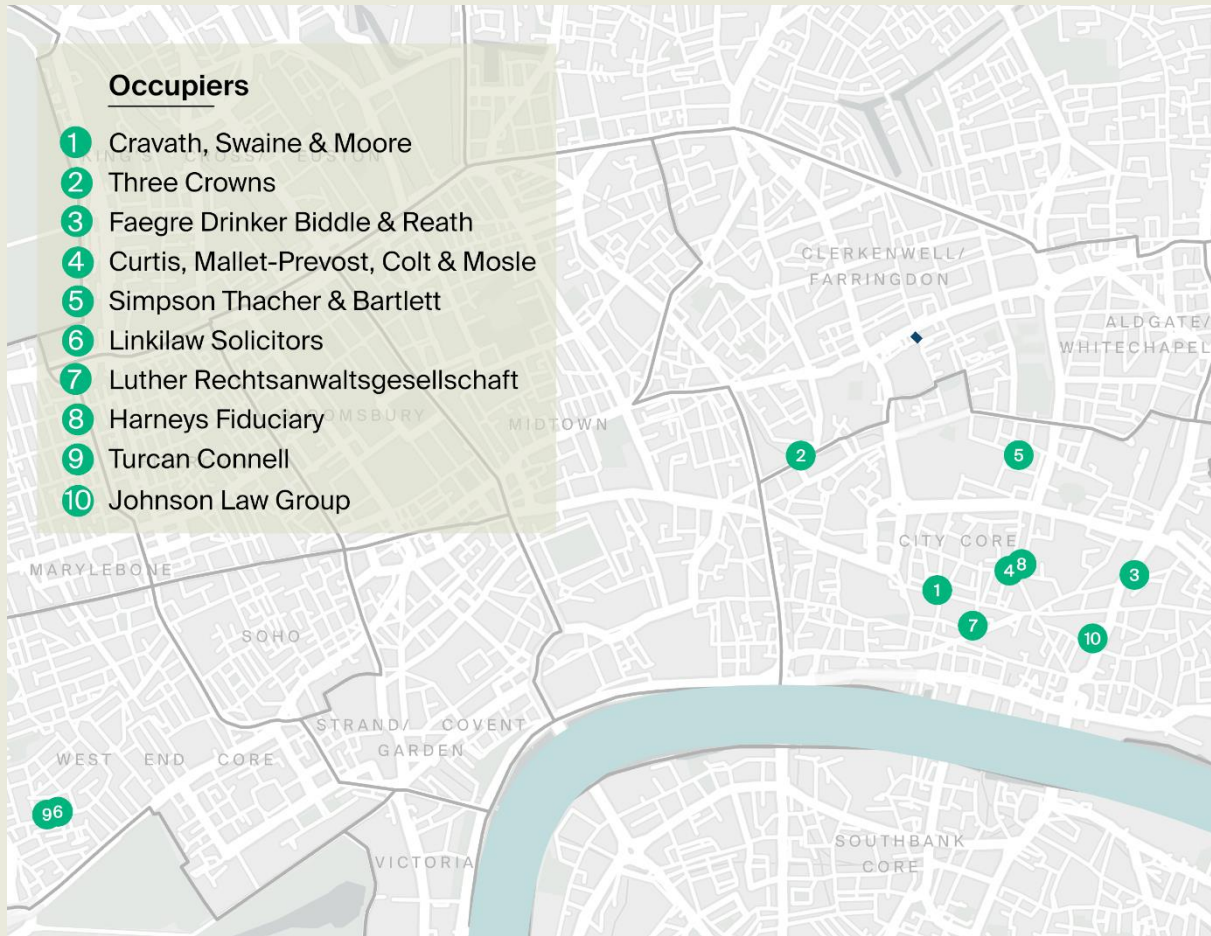
Occupier: Curtis, Mallet-Prevost, Colt & Mosle

Secondhand A

Seven underground stations are within a nine-minute walk. Bank station is within a two-minute walk. The building overlooks The Bank of England. Building amenities include five retail units, multiple roof terraces and the basement holds 162 lockers, 12 shower rooms and 79 cycle spaces.

BREEAM 'Excellent' and WiredScore Gold. Refurbished office floors have an EPC B rating.

NEW LAW FIRM LEASES



We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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The London Series 2024